



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

TO: State Mineral Board Members

FROM: Rachel Newman, CPA *RN*
Audit Director
Mineral Income Division

DATE: March 14, 2012

Audit Committee Meeting Agenda

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, March 14, 2012, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A penalty waiver request from Energy XXI Gulf Coast, Inc. for a penalty in the amount of \$141,742.96 which was billed for late payment of royalty. Energy XXI Gulf Coast, Inc. paid the state a total of \$485,770.90 in late royalty for the disposition dates of November 2006 through November 2009. The payment was received on January 25, 2012. This payment was not related to a field audit. Energy XXI Gulf Coast, Inc. was billed and paid \$113,118.05 in interest charges.
2. A recoupment request from XTO Energy, Inc. for an overpayment in the amount of \$29,664.51. The state lease numbers involved are 16869 and 16870. For the sales month of July 2011, XTO Energy, Inc. paid royalties based on incorrect volume and values.
3. A recoupment request from XTO Energy, Inc. for an overpayment in the amount of \$25,693.97. The state lease numbers involved are 16869 and 16870. For the sales month of March 2011, XTO Energy, Inc. paid royalties based on incorrect volume and values.
4. Staff report to the committee that the election for March 2012 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

The Committee may discuss matters it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).